Assisted Human Reproduction Canada

2006-2007

Departmental Performance Report

Tony Clement
Minister of Health

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SECTION I: OVERVIEW

Minister's Message

It is my pleasure to present the Assisted Human Reproduction Agency of Canada's (AHRC) first Departmental Performance Report. This Report summarizes the Agency's progress in meeting the objectives outlined in the 2006-2007 *Report on Plans and Priorities*.

The Agency formally began its operations in February 2007, with the appointment of the President and Board of Directors. In the 6-week period covered by this Report, the Agency initiated work on a number of fronts in order to develop the necessary capacity to fulfil its mandate.

The Agency has made significant progress in a short period of time. In terms of organizational development, this has included delineating its core functions, initiating recruiting actions for key consultants and staff to support implementation and engaging key system stakeholders, both within and outside of government. In March, the Agency's Board of Directors held their inaugural meeting where I personally had the opportunity to share with them the Government of Canada's perspective on the AHR environment. In addition, priority Memorandum of Understanding with other federal departments and agencies involved in the regulation, monitoring and enforcement of assisted human reproduction were initiated.

The Government of Canada is committed to protecting the health, safety and dignity of those individuals who access these technologies of assisted human reproduction (AHR), while recognizing that the benefits of encouraging the advancement of science in this area should ultimately benefit all Canadians.

Health Canada is continuing to develop regulations on AHR that will form the basis of AHRC's licensing, monitoring and compliance activities. Once the regulations are in place, the Agency will licence AHR controlled activities, ensure compliance with the regulations, monitor trends and developments, build a national AHR Registry that collects and safeguards personal health information and provide me with timely and comprehensive advice on these matters

Tony Clement

Minister of Health

Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Assisted Human Reproduction Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Dr. Elinor Wilson

Title: President
Assisted Human Reproduction Canada

Summary Information

Department's Reason for Existence— the Assisted Human Reproduction Agency of Canada (AHRC) was established under the authority of the Assisted Human Reproduction Act. The Act seeks to protect and promote human health, safety, dignity and human rights in the use of assisted human reproduction (AHR) technologies, prohibits unacceptable activities, such as human cloning and places controls over AHR related research. The Agency is responsible for the issuance and review of licences, the collection and analysis of health reporting information, and for carrying out inspections and enforcement related to activities controlled under the Act..

Financial Resources ($ thousands)

	2006–2007	
Planned Spending	**Total Authorities**	**Actual Spending**
9,681	9,681	134

Human Resources[1]

	2006–2007	
Planned	**Actual**	**Difference**
44	1	43

Status on Performance			2006–2007	
			Planned Spending	**Actual Spending**
Strategic Outcome: Protection and promotion of the health and safety of Canadians against the risks associated with assisted human reproduction				
Priority No. 1 New	Program Activity – Licencing and Enforcement of a Regulatory Framework for Assisted Human Reproduction Technologies Expected Result -an effective and efficient licensing and inspection regime; -compliance by medical practitioners and researchers in respect of prohibitions and controlled activities; and improved safety and success of the controlled activities undertaken	Performance Status: Met some expectations. In anticipation of the AHR regulations coming into force, focused on developing core AHRC capacity: •Initiated recruitment for an Executive Director for Licensing, Inspection and Public Health Information Registry (PIHR) and a Senior Advisor for Strategic Surveillance Planning •Contracted a Senior Advisor for PIHR •Initiated discussions on key Memorandum of Understanding (MOU), including with the Health Canada (HC) Inspectorate •Initiated planning for a protocol for processing complaints •Liaised with key stakeholders •Initiated a review of international "best-practices"	4,320	60

		•Completed relevant technical briefings and related orientation activities for the President, the Chair of the Board and Board Members		
Priority No. 2 New	Program Activity – Health Information and Knowledge Management for Assisted Human Reproduction Technologies Expected Result -a confidential and secure Personal Health Information Registry; -improved information for decision-making by practitioners and prospective users of Assisted Human Reproduction procedures; -improved access by children born of Assisted Human Reproduction procedures to information on their genetic history; and -increased awareness of the Canadian public of AHR issues or problems.	Performance Status: Met some expectations: In anticipation of the regulations coming into force and providing clear direction on Registry expectations and requirements, AHRC: •Initiated recruitment for an Executive Director for Licensing, Inspection and Public Health Information Registry (PIHR) and a Senior Advisor for Strategic Surveillance Planning •Contracted a Senior Advisor for PIHR •Launched the process to enable AHRC to assume responsibility for the Registry Development Project •Began preliminary technical work in relation to system architecture, quality and security •Met with officials from the office of the Ethics Commissioner and the Access to Information program •Liaised with key stakeholders	5,361	74

OPERATING ENVIRONMENT

Formally established by Orders in Council on January 12, 2006, AHRC is mandated to administer the Assisted Human Reproduction Act (Bill C-6: an Act Respecting Assisted Human Reproduction and Related Research) on behalf of the Minister of Health. Its mission is to protect and promote the health and safety of donors, patients and offspring born of AHR technologies by becoming a centre of expertise in administering a comprehensive legislative and regulatory framework that enforces prohibitions and regulates acceptable controlled activities in Canada. The AHRC President assumed her duties in February of 2007 and the AHRC Board met for the first time in March 2007.

In fulfilling its duties, AHRC may exercise powers in relation to licenses; designate inspectors to enforce the Act; maintain relationships with stakeholders including health practitioners, patients and researchers; collect, analyse and manage health reporting information relating to controlled activities; provide information to the public and to the professions regarding assisted human reproduction and other matters to which the Act applies; monitor technological advances and trends in assisted human reproduction; and advise the Minister of Health on assisted human reproduction.

Health Canada's Assisted Human Reproduction Implementation Office (AHRIO) is responsible for the development of the elements of the regulatory framework under the Act. Core components of the regulatory framework to enable AHRC to begin licensing and inspections of facilities are still being developed and over a year away. As such, no licences for controlled activities are being issued at this time. Accordingly, the immediate priorities for AHRC's new management team and Directors have been the start-up of the Agency's operations, developing the core capacity to administer the regulations once they come into force and engaging key system stakeholders.

OVERVIEW OF AGENCY PERFORMANCE

Building Core Capacity

As a start-up Agency, the initial focus for AHRC management was on four complementary sets of activities:

- to recruit a core team to develop on a fast-track basis the Agency's capacity in key functional areas;
- to obtain initial direction from the AHRC Board on establishing priorities;
- to manage stakeholder expectations in regard to the Agency's role and mandate and its eventual approach to implementing the regulations; and
- to identify and fit-up facilities.

In regard to building a core team, contractors and administrative support personnel were engaged and assigned to key functions, pending formal recruitment of the Agency's permanent staff. Interim work plans for each functional area were also developed, pending a more formal planning retreat pursuant to the inaugural meeting of the AHRC Board of Directors

In regard to obtaining Board direction, a Board orientation session and meeting was convened in March. At the orientation session, Board members received technical briefings from various federal officials on the current context for AHR in Canada, on the specific functions, duties and accountabilities of AHRC and of its members. The Minister of Health also met with the Board and provided a broad overview of the policy environment within which the Board was operating. At their inaugural meeting, Board members approved the President's proposed work plan, elected a vice-chair, adopted initial by-laws, approved a set of Guiding Principles and a Communications Protocol and established a meeting schedule for the coming 24-months.

In regard to managing stakeholder expectations, the President and Chair of the Board met bilaterally with key stakeholder groups to outline AHRC's interim work plan, to review the status of the AHR regulations and to discuss other issues. They also accepted media interview requests to enable them to raise awareness of the Agency's mandate and work plan. Finally, the AHRC communications advisor worked with Health Canada to establish procedures to coordinate the flow of information to the public and media concerning AHRC activities and AHR generally.

In regard to facilities and fit-up, AHRC established facilities in both the National Capital Region and in Vancouver, British Columbia.

Licensing and Enforcement

Once they are completed and come into force, the AHR regulations will provide for an effective and efficient licensing and inspection regime that facilitates compliance by medical practitioners and researchers in respect of prohibitions and controlled activities. This will serve to improve the safety and success of the controlled activities undertaken. In anticipation of this, over its first 6-weeks, AHRC has:

- Initiated recruitment for an Executive Director for Licensing, Inspection and Public Health Information Registry (PIHR) and a Senior Advisor for Strategic Surveillance Planning
- Initiated recruitment a Senior Advisor for PIHR
- Initiated discussions on key Memorandum of Understanding (MOU), including with the Health Canada (HC) Inspectorate
- Initiated planning for a protocol for processing complaints
- Liaised with key stakeholders

- Initiated a review of international "best-practices"
- Completed relevant technical briefings and related orientation activities for the President, the Chair of the Board and Board Members

While initiating recruitment for its permanent staff, AHRC has contracted the services of expert consultants to deliver essential support and capacity development services in key functional areas.

During the period covered by the review, AHRC has completed or identified priority MOUs. This has included initiating discussions on an MOU with the Health Canada Inspectorate.

In terms of stakeholder engagement, the Agency's President and Board Chair have met with key AHR system stakeholders in discuss the Agency's work plan and priorities and to ascertain their views on key issues, including the proposed Consent Regulation, the Personal Health Information Registry and other issues pertaining to the effective regulation of AHR in Canada.

In anticipation of being apprised of prohibited activities under the Act occurring, or of receiving formal complaints regarding prohibited AHR activities, the Agency began development of a protocol for processing these inputs. This protocol will ensure that allegations or instances of prohibited activities are carefully assessed or fully investigated, as appropriate.

Finally, the Agency initiated a review of international best-practices in relation to Board governance, committees and external advisory structures in order to identify how other similar Boards and Agencies manage relevant issues.

Information and Knowledge Management for AHR Technologies

A priority for AHRC is to create a confidential and secure Personal Health Information Registry (PIHR). A comprehensive registry that tracks the relative success of different AHR techniques or processes, and maintains secure information on donors, recipients and those born of AHR, will be a invaluable decision-support tool for regulators, practitioners and prospective users of AHR procedures. The registry will also improve access by children born of AHR procedures to information on their genetic history and contribute to improved public awareness of AHR issues. However, the registry's architecture and design is dependent on the eventual direction of the AHR regulations. This caveat aside, the Agency has undertaken a number of steps to ensure the registry will be operational once the regulations come into force. To that end, the Agency has:

- launched the process to enable AHRC to assume responsibility for the Registry Development Project

- initiated technical work in relation to system architecture, quality and security
- met with officials from the Office of the Ethics Commissioner and the Access to Information Program.
- sought Board direction at the inaugural AHRC Board Meeting
- liaised with key stakeholders in regard to their priorities and expectations with respect to AHRC

In terms of building the registry for which it will ultimately be responsible, the Agency initiated the process to assume from Health Canada responsibility for the Registry Development Project. Agency staff began scoping options for the design of the system's architecture, including its interface with HC-IT platforms. Potential registry quality and security standards were also reviewed.

Program Activity Architecture (PAA) Crosswalk

This is a new program for 2006-2007. The Agency was established by Governor-in-Council on January 12, 2006 and the program activities planned for 2006-2007 have no carryover from 2005-2006.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

Strategic Outcome

Protection and promotion of the health and safety of Canadians against the risks associated with assisted human reproduction

Program Activity: Licensing and Enforcement of a Regulatory Framework for AHR technologies.

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$4,320	$4,320	$60

Human Resources

Planned	Actual	Difference
22 FTEs	0 FTEs	22 FTEs

Objective

To ensure compliance with the AHR legislative and regulatory framework.

Description

AHRC would achieve this objective by the following means:

- issuing licenses for controlled activities and for facilities used by qualified persons or organizations;
- assessing applications against license requirements, including scientific and ethical considerations
- conducting periodic inspections of AHR clinics, service providers or research to ensure compliance; and
- enlisting the participation or support of other recognized organizations in the development of other supporting policy instruments (e.g., standards, guidelines, accreditation models, etc.).

Expected Result

The preliminary key results for this program activity include:

- an effective and efficient licensing and inspection regime;
- compliance by medical practitioners and researchers in respect of prohibitions and controlled activities; and
- improved safety and success of the controlled activities undertaken.

The Agency sought to make progress towards this priority by concentrating its efforts on the following:

- contracting the services of expert consultants in key functional areas while initiating recruitment actions for permanent AHRC staff
- initiating discussions on key MOUs, including with the HC Inspectorate
- initiating planning for a protocol for processing complaints
- liaising with key stakeholders
- initiating a review of international "best-practices"
- completing relevant technical briefings and related orientation activities

While initiating recruitment for its permanent staff, AHRC has contracted the services of expert consultants to deliver essential support and capacity development services in key functional areas. AHRC also completed or identified priority MOUs necessary to enable the Agency to fulfill its mandate, including initiating discussion on an MOU with the Health Canada Inspectorate to enable them to complete their stakeholder outreach and information gathering relevant to the development of Agency surveillance, compliance and licensing regimes. Meetings were also convened with key system stakeholders to review discuss similar issues. Work also began on a protocol for processing incoming complaints was developed to mitigate potential liability risk to the Agency and Crown. Finally, a review was initiated of international best-practices in relation to Board and Agency advisory committees and structures.

Program Activity: Health Information and Knowledge Management for Assisted Human Reproduction Technologies.

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$5,361	$5,361	$74

Human Resources

Planned	Actual	Difference
22 FTEs	1 FTEs	21 FTEs

Program activity description and its expected results

Objective

To become a centre of expertise and focal point of AHR information for policymakers, practitioners, patients, children born of AHR procedures, researchers and the Canadian public.

Description

AHRC would achieve this objective by the following means:

- maintaining a personal health information registry (PHIR) to consolidate health reporting information concerning donors, patients and children born of AHR procedures to allow for a look-back and trace-back mechanism;

- providing ongoing reports of AHR controlled activities, including success rates by AHR clinics and results of research, to enable prospective AHR users to make informed decisions; and

- providing public information on AHR matters or issues via a public website or in other forms such as brochures.

Key Results

The preliminary key results for this program activity include:

- a confidential and secure PHIR;
- improved information for decision-making by practitioners and prospective users of AHR procedures;
- improved access by children born of AHR procedures to information on their genetic history; and
- increased awareness of the Canadian public of AHR issues or problems.

The Agency sought to make progress towards this priority by concentrating its efforts on the following:

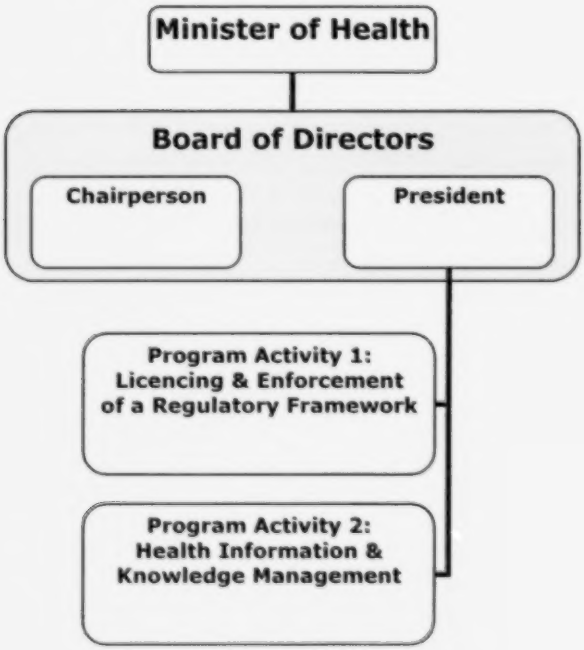
- initiating discussions to enable AHRC to assume responsibility for the Registry Development Project
- initiating technical work in relation to system architecture, quality and security;
- meeting with Privacy Commissioner;
- obtaining Board direction
- liaising with key stakeholders.

Discussions with Health Canada were launched that would see responsibility for the Registry Development Project formally transferred to the Agency. Consistent with this, Agency staff began scoping options for the design of the system's architecture, including its interface with HC-IT platforms and potential registry quality and security standards were also reviewed. A meeting with the federal Privacy Commissioner on issues relating to the protection of personal information of donors, patients and the offspring of AHR provided useful insights for the design of the registry, as did input from AHRC directors and key AHR stakeholders.

SECTION III: SUPPLEMENTARY INFORMATION

Organizational Information

Assisted Human Reproduction Canada



Tables

Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

($ thousands)	2005–06 Actual	2006–07			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
Licensing and Enforcement of a Regulatory Framework for Assisted Human Reproduction Technologies	0	4,320	4,320	4,320	60
Health Information and Knowledge Management for Assisted Human Reproduction Technologies	0	5,361	5,361	5,361	74
Total	**0**	**9,681**	**9,681**	**9,681**	**134**
Less: Non-respendable revenue	0	0	0	0	0
Plus: Cost of services received without charge	0	0	0	0	0
Total Departmental Spending	0	9,681	**9,681**	0	**134**
Full-time Equivalents	0	N/A	**44**	44	**1**

Table 2: Resources by Program Activity

($ thousands)

2006–07									
	Budgetary							Plus: Non-budgetary	
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments, and Advances	Total
Licencing and Enforcement of a Regulatory Framework for AHR Technologies	4,320				4,320		4,320		4,320
Main Estimates	4,320				4,320		4,320		4,320
Planned Spending	4,320				4,320		4,320		4,320
Total Authorities	4,320				4,320		4,320		4,320
Actual Spending	60				60		60		60
Health Information and Knowledge Management for AHR Technologies	5,361				5,361		5,361		
Main Estimates	5,361				5,361		5,361		5,361
Planned Spending	5,361				5,361		5,361		5,361
Total Authorities	5,361				5,361		5,361		5,361
Actual Spending	74				74		74		74

Table 3: Voted and Statutory Items

($ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–07			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
10	Operating expenditures	9,022	9,022	9,022	130
(S)	Contributions to employee benefit plans	659	659	659	4
	Total	**9,681**	**9,681**	**9,681**	134

Table 4: Assisted Human Reproduction Canada Financial Statements (Unaudited) For the Year Ended March 31, 2007

Statement of Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007, and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted in the preparation of the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded, and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within parliamentary authorities, and are properly recorded to maintain accountability of government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training, and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Agency.

As the Agency only commenced operations February 14th, 2007 it is reviewing its options in regards to the establishment of an Internal Audit and Evaluation Committee.

The financial statements of the department have not been audited.

Dr. Elinor Wilson
President of the Assisted Human Reproduction Canada
Vancouver and Ottawa, Canada
August 24, 2007

Assisted Human Reproduction Canada

Statement of Operations (Unaudited)

For the year ended March 31

($ thousands)

	2007
EXPENSES (Note 5)	
Operations	134
REVENUES (Note 1)	0
NET COST OF OPERATIONS	134

The accompanying notes form an integral part of these financial statements.

Assisted Human Reproduction Canada

Statement of Financial Position (Unaudited)

As at March 31

($ thousands)

	2007
ASSETS	
Financial assets	
Accounts receivable (Note 7)	0
Non-financial assets	
Tangible capital assets	0
TOTAL ASSETS	0
LIABILITIES	
Accounts payable and accrued liabilities (Note 9)	0
	0
EQUITY OF CANADA	0
TOTAL	0

Contingent liabilities (Note 12)

The accompanying notes form an integral part of these financial statements.

Assisted Human Reproduction Canada

Statement of Equity of Canada (Unaudited)

For the year ended March 31

($ thousands)

	2007
Equity of Canada, beginning of year	0
Net cost of operations	134
Current year appropriations used (Note 3)	134
Services provided without charge (Note 13)	0
Equity of Canada, end of year	**0**

The accompanying notes form an integral part of these financial statements.

Assisted Human Reproduction Canada

Statement of Cash Flow (Unaudited)

For the year ended March 31

($ thousands)

	2007
Operating activities	
Net cost of operations	134
Non-cash items:	
Amortization of tangible capital assets	0
Gain on disposal of tangible capital assets	0
Services provided without charge	0
Variations in Statement of Financial Position:	0
Increase (decrease) in accounts receivable	0
Decrease (increase) in accounts payable:	0
Accounts payable and accrued liabilities	0
Vacation pay and compensatory leave	0
Employee severance benefits	0
Decrease in deferred revenues	0
Cash used in operating activities	134
Capital investment activities	
Acquisition of tangible capital assets	0
Proceeds from disposition of tangible capital assets	0
Cash used in capital investment activities	0
Financing activities	
Net cash provided by the Government of Canada	(134)

The accompanying notes form an integral part of these financial statements.

Assisted Human Reproduction Canada

Notes to the Financial Statements (Unaudited)

1. Authority and Objectives

The Assisted Human Reproduction Canada (AHRC) was established under the authority of the Assisted Human Reproduction Act. The legislation aims to protect and promote human health, safety, dignity and human rights in the use of assisted human reproduction (AHR) technologies, prohibits unacceptable activities, such as human cloning and places controls over AHR related research. The Agency will be responsible for the issuance and review of licenses, the collection and analysis of health reporting information, and to carry out inspections and enforcement related to activities controlled under the Act.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

a) Parliamentary appropriations

The Agency is financed by the Government of Canada through parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles, since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and on the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 to these financial statements provides a high-level reconciliation between the bases of reporting.

b) Net cash provided by the Government of Canada

The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. Net cash provided by the Government of Canada is the difference between all cash receipts and all cash disbursements, including transactions between departments and agencies of the Government of Canada.

c) Change in net position in the Consolidated Revenue Fund

The change in net position in the CRF is the difference between net cash provided by the government and appropriations used in a year, excluding the amount of non-respendable revenue

recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

d) Revenues

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues. There were no revenues for March 31st, 2007.

e) Expenses

Expenses are recorded on an accrual basis.

f) Tangible capital assets

All tangible capital assets having an initial cost of $10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	**Amortization period**
Machinery and equipment	Three to five years
Motor vehicles	Three years
Leasehold improvements	Term of lease
Assets under construction	Once in service, in accordance with asset class

g) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that it is likely that the future event will occur or will fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.

3. Parliamentary Appropriations

The Agency receives its funding through annual parliamentary appropriations.

a) Appropriations provided and current year appropriations used

(in $ thousands)	2007
Voted authorities:	
Vote 10– Program Expenditures	9,022
Statutory authorities:	
Contributions to employee benefit plans	659
	9,681
Lapsed authorities:	
Vote 10–Program Expenditures	(8,892)
Contributions to employee benefit plans	(655)
	(9,547)
Current year appropriations used	134

b) Reconciliation of net cash provided by the government to current year appropriations used

(in $ thousands)	2007
Net cash provided by government	9,681
Change in net position in the Consolidated Revenue Fund:	
Lapsed Authorities	9,547
Current year appropriations used	134

:

4. Expenses

The following table presents details of expenses by category:

(in $ thousands)	2007
Transfer payments	0
Operating expenses:	
Departmental salary and employee benefits	50
Professional and special services	29

Machinery and equipment	38
Transportation and telecommunications	7
Repairs and maintenance	3
Utilities, materiel, and supplies	2
Rentals	5
Total operating expenses	134
Total Expenses	134

5. Revenues

The Agency had no Revenues for the fiscal year ended March 31, 2007

6. Accounts Receivable

The Agency had no Accounts Receivable at March 31, 2007

7. Tangible Capital Assets

The Agency had no tangible assets at March 31, 2007

8. Accounts payable and accrued liabilities

The Agency had no Accounts payable nor accrued liabilities at March 31, 2007

9. Deferred revenue

The Agency had no deferred revenue for 2006-2007

10. Employee Benefits

a) Employee Benefit Fund

Eligible public service employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 per cent per year of pensionable service times the average of the best five consecutive years of earnings. The benefits are integrated with the Canada or Quebec Pension Plan benefits and they are indexed to inflation.

The Agency contributed to the employee benefit fund $4 thousand for its employees.

b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service, and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(in $ thousands)	2007
Accrued benefit obligation, beginning of year	0
Expense for the year	0
Benefits paid during the year	0
Accrued benefit obligation, end of year	0

11. Contingent liabilities

In the normal course of its operations, the Agency may become involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the department's financial statements.

As at March 31, 2007, the Agency had no contingent liabilities. The existence and amount of the liability depend upon the future outcome of future legal actions, which are not currently determinable. No accrual for these contingent liabilities has been made in the financial statements. In September 1999, the *Public Service Superannuation Act* was amended, to enable the Government of Canada to deal with excess amounts in the Public Service Superannuation Account and Pension Fund governed by this Act. The legal validity of these provisions has since been challenged in the courts. The outcome of this lawsuit has not been determined at this time.

12. Related-party transactions

Services provided without charge

The Agency had no related party transactions or services provided without charge.

The government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all departments without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Statement of Operations.

Table 5: Procurement and Contracting

Department	**Assisted Human Reproduction Canada**
Points to Address	**Department's Input**
1. Role played by procurement and contracting in delivering programs	The Agency had limited activities during its 1.5 months of operations. Procurement was limited to basic start up costs and was addressed by am Memorandum of Understanding with Health Canada for these services. The role was not determinable.
2. Overview of how the department manages its contracting function	The contracting function was handled under a Memorandum of Understanding with Health Canada and followed standard Treasury Board Guidelines.
3. Progress and new initiatives enabling effective and efficient procurement practices	Not Applicable

Table 6: Travel Policies

The Agency adheres to travel policies and parameters as established by the Treasury Board's Special Travel Authorities and the Travel Directive, Rates and Allowances.

SECTION IV: OTHER ITEMS OF INTEREST

Table 7: Internal Audits and Evaluations

Internal Audits or Evaluations
No audits have been set as the Agency has only had financial signing authority since February 14, 2007, a six week period. The Agency is required to comply with the Treasury Board's Internal Audit Policy and related directives as applicable. The Agency reports on the performance of all its initiatives on a regular basis through Main Estimates, using the Report on Plans and Priorities and the Agency's Performance Report. The preliminary Program Activity Architecture (PAA) has been developed for AHRC and will be used to build the Management Resources and Results Structure (MRRS) for the Agency, as a vehicle to report performance. As a new organization, AHRC initially focussed on the effectiveness of the implementation of the Agency. Subsequently, performance indicators are anticipated to be developed in accordance with the coming into force of regulatory instruments under the AHR Act, to gauge and report on progress towards fulfilling the Agency's legislated and regulatory mandate. The President of the Agency, being the chief executive officer of the Agency, is responsible for the effective management, direction and control of the Agency, including an obligation to ensure that resources allocated for purposes of the Agency are managed well, are being used for priorities identified by Ministers and are achieving results for Canadians. It is expected that the comprehensive parliamentary review of the provisions and operation of the Act, mandated under section 70 of the Act to take place three years after the establishment of the Agency, will in fact be the first opportunity to evaluate progress toward the achievement of desired results. Once the Agency has gained more experience with program delivery, it is anticipated that external resources would be engaged on a periodic basis to provide an independent review of the Agency's operations, addressing management issues relating to the implementation of the Agency, risk management and performance data.